

Message Text

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ACTION EB-08

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UNCLAS SECTION 01 OF 05 MEXICO 05361

FOR STERLING OLM

E.O. 11652:N/A
TAGS: BEXP, MX
SUBJECT: COUNTRY COMMERCIAL PROGRAMS - PRELIMINARY FY 1979
INPUTS FOR MEXICO.

REF: STATE 44899

1. SUMMARY. BELOW ARE LISTED TWELVE PROPOSED FY-1979
CAMPAIGN THEMES, IN THE FORM REQUESTED IN REFTEL. OF
THESE, APPROXIMATELY TEN CAMPAIGNS ARE EXPECTED TO BE
CHOSEN FOR IMPLEMENTATION IN FY-1979. THE
EMBASSY'S THREE FULL-TIME COMMODITY OFFICERS WILL UNDER-
TAKE TWO CAMPAIGNS EACH, AND THE PETROLEUM OFFICER WILL
BE RESPONSIBLE FOR ONE OR TWO CAMPAIGNS. THE TRANSPOR-
TATION OFFICER WILL MANAGE THE CAMPAIGN AIMED AT IN-
CREASING MEXICAN TRAVEL TO THE US. THE COMMERCIAL
SECTION'S ROTATIONAL OFFICER WILL MANAGE ONE CAMPAIGN,
AND THE POST EXPECTS THAT PROFESSIONAL LEVEL COMMERCIAL
LOCALS WILL MANAGE ONE CAMPAIGN EACH. IN ADDITION TO
THE CAMPAIGN THEMES LISTED BELOW, CONSULATES GUADALAJARA
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AND MONTERREY MAY EACH UNDERTAKE A CAMPAIGN OR
ASSOCIATE THEMSELVES WITH AN EMBASSY CAMPAIGN. TWO OF
THE PROPOSED CAMPAIGN THEMES LISTED BELOW (METAL WORKING
AND FINISHING EQUIPMENT; LABORATORY INSTRUMENTATION)
ARE INCLUDED IN THE FOUR AREAS TO BE GIVEN USDOC EM-
PHASIS IN FY1979 AS DESCRIBED IN PARA 7 OF REFTEL, AND
EIGHT ARE THEMES USTC MEXICO CITY BELIEVES ARE AP-

PROPRIATE FOR MAJOR EXHIBITIONS IN FY1979. THE EMBASSY'S BUDGET AND FISCAL OFFICER CONCURS IN THE FINANCIAL RESOURCES PORTION OF THIS MESSAGE. END SUMMARY.

2. FY-1979 CAMPAIGNS

CAMPAIGN NO. 1

PRIORITY STANDING NO. 1

TITLE: PETROLEUM EQUIPMENT

JUSTIFICATION: UNDER THE NEW GOM ADMINISTRATION, PETROLEOS MEXICANOS (PEMEX) HAS BEGUN TO IMPLEMENT PLANS TO DEVELOP MEXICO'S HYDROCARBON RESOURCES AT A CONSIDERABLY FASTER RATE THAN HAD BEEN ENVISIONED BY THE PREVIOUS ADMINISTRATION. THE 1977 BUDGET IS UP 31 PERCENT FROM LAST YEAR, TO \$4.5 BILLION. DEMAND FOR DRILLING EQUIPMENT, SEPARATING STATIONS, AND SWEETENING PLANTS WILL INCREASE AS OIL AND GAS OUTPUT RISES. AN OCTOBER 1976 MCTC PETROLEUM EQUIPMENT EXHIBIT HAD TWELVE MONTH SALES OF \$15 MILLION; A MARCH 1977 MARINE TECHNOLOGY EXHIBIT, WHICH INCLUDED OILFIELD EQUIPMENT, HAD TWELVE MONTH SALES OF \$25 MILLION, AND A MAJOR EXHIBITION OF PETROLEUM EQUIPMENT IS SCHEDULED TO BE HELD AT THE TRADE CENTER IN THE FIRST QUARTER OF FY-1978. EXPERIENCE OF THIS EVENT WILL SUGGEST WHETHER A REPEAT EVENT COULD BE HELD AS SOON AS FY-79.

CAMPAIGN NO. 2

PRIORITY STANDING NO. 2

TITLE: AGRICULTURAL EQUIPMENT

JUSTIFICATION: AGRICULTURE IS THE STATED PRIORITY OF THE NEW GOM ADMINISTRATION, AS THE BOOMING POPULATION GROWTH UNCLASSIFIED

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RATE PUTS PRESSURE ON AVAILABLE FOOD SUPPLIES. WITH THE GREATER CONCERN OVER CROP YIELDS, MODERN AGRICULTURAL METHODS AND EQUIPMENT WILL FIND AN EXPANDING MARKET. ALTHOUGH DOMESTIC MANUFACTURING IS INCREASING, MORE SPECIALIZED AND SOPHISTICATED IMPORTS WILL BE NEEDED. IF A REPEAT OF THE HIGHLY SUCCESSFUL EXPO-AGRICOLA 77 EXHIBITION CAN BE SCHEDULED AFTER APPROXIMATELY JANUARY 1979, EITHER IN GUADALAJARA OR ELSEWHERE IN THE AGRICULTURAL PRODUCTION AREA, THIS WILL CONSTITUTE THE KEY CAMPAIGN ACTION, SUPPLEMENTED BY PROMOTION OF U.S. TRADE SHOWS.

CAMPAIGN NO. 3

PRIORITY STANDING NO. 3

TITLE: METALWORKING AND FINISHING EQUIPMENT

JUSTIFICATION: GIVEN A HEALTHY ECONOMY, THE FIELD OF METALWORKING EQUIPMENT HAS TRADITIONALLY BEEN A DYNAMIC ONE IN MEXICO. WHILE A LARGE NUMBER OF RELATIVELY SIMPLE MACHINE TOOLS ARE MADE LOCALLY, DEMAND WILL CONSTANTLY

INCREASE FOR THE LARGER, MORE SOPHISTICATED ITEMS OF EQUIPMENT NOT MANUFACTURED HERE. METALWORKING AND FINISHING EQUIPMENT EXPORTS TO MEXICO HAVE BEEN RISING STEADILY OVER THE YEARS. IN 1974, A TOTAL OF \$88.6 MILLION OF METALWORKING AND FORMING MACHINE TOOLS, AND ROLLING AND FOUNDRY EQUIPMENT WERE BROUGHT INTO THE COUNTRY. THE UNITED STATES HAS A 34 PERCENT MARKET SHARE WHICH CAN BE INCREASED BY AGGRESSIVE SALES CAMPAIGNS BY AMERICAN FIRMS, COUPLED WITH LIBERAL FINANCING TERMS. A METALWORKING EQUIPMENT EXHIBITION AT THE MCTC IS TENTATIVELY SCHEDULED FOR JUNE 1978. IF THIS EVENT IS

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POSTPONED, IT COULD BE RESCHEDULED AS A KEY ELEMENT IN THE FY-79 CAMPAIGN. A REPEAT OF THE AUGUST 1976 MCTC EXHIBITION OF METALLURGICAL EQUIPMENT COULD BE CONSIDERED AS AN ALTERNATE. METALWORKING AND FINISHING EQUIPMENT WILL ALSO BE EMPHASIZED IN FY-79 BY USDOC UNDER THE TARGET INDUSTRIES PROGRAM.

CAMPAIGN NO. 4
PRIORITY STANDING NO. 4
TITLE: PRINTING AND GRAPHIC ARTS EQUIPMENT
JUSTIFICATION: PRINTING IS MEXICO'S FOURTH LARGEST INDUSTRY AND ITS ANNUAL GROWTH CONSISTENTLY OUTPACES THAT OF MEXICO'S INDUSTRIAL SECTOR AS A WHOLE. A MARKET RESEARCH STUDY COMPLETED IN JANUARY 1977 FOR THE MCTC INDICATES THAT THE OVERALL MEXICAN MARKET FOR GRAPHIC INDUSTRIES EQUIPMENT WILL GROW FROM AN ESTIMATED \$39 MILLION

IN 1976 TO AN ESTIMATED \$80 MILLION IN 1981. EQUIPMENT IMPORTS DURING THE 5-YEAR PERIOD 1977-81 ARE EXPECTED TO TOTAL OVER \$264 MILLION, OR AN AVERAGE OF ALMOST \$53 MILLION PER YEAR. THE US SHARE OF THIS MARKET IS EXPECTED TO INCREASE BOTH ABSOLUTELY AND RELATIVELY, FROM \$20.7 MILLION (54.7 PERCENT) IN 1975 TO AN ESTIMATED \$41.1 MILLION.

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LION (57.8 PERCENT) IN 1981. GIVEN THE IMPORTANCE OF THE MEXICAN MARKET FOR GRAPHIC ARTS EQUIPMENT, A US TRADE SHOW PROMOTER STAGED A PRIVATE INTERNATIONAL EXHIBITION ("MEXPRINT") IN MEXICO CITY IN AUGUST 1976, AND IS CONSIDERING REPEATING THIS SUCCESSFUL EXHIBIT. THE MCTC HAS A GRAPHIC ARTS INDUSTRIES EQUIPMENT EXHIBIT SCHEDULED FOR AUGUST 1977, AND BELIEVES THAT A SIMILAR SHOW STAGED TOWARD THE END OF FY1979 (IF NOT IN CONFLICT WITH ANY PRIVATELY-SPONSORED EXHIBITION) WOULD PROVIDE US EXPORTERS AN EXCELLENT PROMOTION VEHICLE IN THIS DYNAMIC MARKET.

CAMPAIGN NO. 5

PRIORITY STANDING NO. 5

TITLE: LABORATORY INSTRUMENTATION

JUSTIFICATION: ONE OF THE THEMES TO BE EMPHASIZED UNDER USDOC'S TARGET INDUSTRIES PROGRAM IN FY-1979, LABORATORY INSTRUMENTATION WILL CONTINUE TO NEED TO BE IMPORTED IN LARGE QUANTITIES BY MEXICO, AS IT DEVELOPS ITS INDUSTRIES, ESPECIALLY PETROLEUM, CHEMICALS, STEEL, AND ELECTRONICS, ALL OF WHICH HAVE A HIGH NEED FOR INSTRUMENTATION. MEXICO IS ALSO INCREASING SCIENTIFIC RESEARCH EFFORTS AND HEALTH SERVICES, OTHER MAJOR POSSIBILITIES FOR THIS PRODUCT CATEGORY. THE MCTC PROPOSES INCLUSION ANYTIME DURING ITS FY-1979 SCHEDULE OF MAJOR EVENTS AN EXHIBITION OF LABORATORY INSTRUMENTATION WHICH WOULD BECOME A KEY CAMPAIGN ACTION.

CAMPAIGN NO. 6

PRIORITY STANDING NO. 6

TITLE: MARINE TECHNOLOGY

JUSTIFICATION: UNDER THE NEW GOM ADMINISTRATION PETROLEOS MEXICANOS (PEMEX) HAS BEGUN TO IMPLEMENT PLANS TO DEVELOP MEXICO'S HYDROCARBON RESOURCES AT A CONSIDERABLY FASTER RATE THAN HAD BEEN ENVISIONED BY THE PREVIOUS ADMINISTRATION. THE 1977 BUDGET IS UP 31 PERCENT FROM LAST YEAR,

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TO \$4.5 BILLION. MUCH OF THE FUNDS PEMEX WILL SPEND
WILL GO INTO DEVELOPMENT OF POTENTIALLY OIL BEARING
STRUCTURES IN THE GULF OF CAMPECHE. BILLIONS OF DOLLARS
WILL BE SPENT TO DEVELOP THESE FIELDS. A MARINE
TECHNOLOGY CAMPAIGN, WHICH MIGHT INCLUDE AN MCTC MF-BSP
EXHIBITION, COULD MORE THAN JUSTIFY THE RESOURCES TO BE
INVESTED IN IT.

CAMPAIGN NO. 7

PRIORITY STANDING NO. 7

TITLE: FOOD PROCESSING AND PACKAGING EQUIPMENT

JUSTIFICATION: THE FOOD INDUSTRY IS MEXICO'S LARGEST
SINGLE INDUSTRIAL SECTOR. INDUSTRY EXPENDITURES FOR
PROCESSING AND PACKAGING EQUIPMENT ARE EXPECTED TO TOTAL
OVER \$70 MILLION IN 1978. MEXICO CURRENTLY IMPORTS
APPROXIMATELY 50 PERCENT OF ITS FOOD PROCESSING AND 90
PERCENT OF ITS FOOD PACKAGING EQUIPMENT, AND THIS SUBS-
TANTIAL DEPENDENCE ON IMPORTS IS LIKELY TO CONTINUE WITH
LITTLE CHANGE OVER THE NEXT FIVE YEARS. THE US TRADI-
TIONALLY HAS BEEN BY FAR THE LEADING EQUIPMENT SUPPLIER
TO THE MEXICAN FOOD INDUSTRY, DUE IN LARGE PART TO THE
SIGNIFICANT PRESENCE IN THE INDUSTRY OF SUBSIDIARIES AND
AFFILIATES OF AMERICAN FOOD PROCESSING COMPANIES.
AGGRESSIVE MARKETING BY AMERICAN MANUFACTURERS OF FOOD
PROCESSING AND PACKAGING EQUIPMENT COULD RESULT IN THEIR
INCREASING THEIR SHARE OF THE MEXICAN MARKET FROM THE
CURRENT 62 PERCENT TO 75-80 PERCENT OVER THE NEXT SEVERAL
YEARS. THE MCTC HAS A PACKAGING EQUIPMENT EXHIBITION
(INCLUDING FOOD PROCESSING AND PACKAGING) TENTATIVELY
SCHEDULED FOR APRIL 1978. ALTHOUGH FY-79 MAY BE TOO SOON

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TO SCHEDULE A REPEAT EVENT, IT SHOULD BE CONSIDERED THEREAFTER.

CAMPAIGN NO. 8

PRIORITY STANDING NO. 8

TITLE: ELECTRONIC EQUIPMENT

JUSTIFICATION: THE MEXICAN MARKET FOR U.S. ELECTRONIC EQUIPMENT IS A LARGE AND EXPANDING ONE, DUE TO THE COUNTRY'S RAPID INDUSTRIALIZATION PROGRAM. RECENT CURRENCY DEVALUATIONS HAVE TEMPORARILY DEPRESSED THE MARKET FOR ELECTRONIC EQUIPMENT, BUT DEMAND CONTINUES TO BACK UP BEHIND THE BARRIERS OF IMPORT PERMITS AND OFFICIAL QUOTAS FOR PRODUCT CATEGORIES. OVERALL, MEXICO MUST CONTINUE TO IMPORT LARGE QUANTITIES OF ELECTRONIC EQUIPMENT, AS THE MEXICAN RESEARCH AND DEVELOPMENT IN THIS RAPIDLY ON-GOING FIELD IS A LIMITED ONE. THE MEXICAN MARKET IS NOT LIKELY TO BE ABLE TO SUPPORT A LARGE RESEARCH AND DEVELOPMENT EFFORT IN THE NEAR FUTURE. THE 1976 MEXICAN MARKET FOR ELECTRONIC EQUIPMENT WAS AN ESTIMATED \$380 MILLION IN 1976, OF WHICH THE U.S. SUPPLIED APPROXIMATELY 65 PERCENT, IN THE FACE OF SWEDISH, GERMAN, AND JAPANESE COMPETITION. IN VIEW OF RAPIDLY CHANGING

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TECHNOLOGY, U.S. PRODUCTS MUST BE PROMOTED ACTIVELY TO OVERCOME THE EFFORTS OF ALTERNATE SUPPLIERS.

CAMPAIGN NO. 9

PRIORITY STANDING NO. 9

TITLE: FORESTRY/WOODWORKING EQUIPMENT

JUSTIFICATION: FORESTRY INDUSTRIES COMPRISE THE LAST MAJOR UNDEVELOPED ECONOMIC RESOURCE OF MEXICO. SPOKESMEN THROUGHOUT THE MEXICAN FORESTRY AND RELATED INDUSTRIES AND IN THE FORESTRY PROFESSIONAL ASSOCIATIONS HAVE EXPRESSED THEIR BELIEF THAT FORESTRY INDUSTRIES DEVELOPMENT WILL TAKE PLACE IN MEXICO WITHIN THE NEXT FEW YEARS. GOM INVESTMENT IN THE MANY MILLIONS OF DOLLARS HAS BEEN DISCUSSED BY THE NEW PRESIDENT AND PRINCIPAL REPRESENTATIVES OF ALL SEGMENTS OF THE MEXICAN FORESTRY INDUSTRIES. WITH THE EXCEPTION OF TRUCKS, VIRTUALLY ALL EQUIPMENT FOR FORESTRY EXPLOITATION WILL BE IMPORTED BY MEXICO. WHEN THE DECISION IS MADE TO BEGIN EXPLOITATION OF MEXICO'S ENORMOUS FORESTRY RESOURCES, GOM PARTICIPATION AND FINANCING WILL BE CRUCIAL. MOREOVER, WHEN THE DECISION IS MADE TO BEGIN MAJOR GOM INVESTMENT, FUNDS ARE LIKELY TO BE MADE AVAILABLE RAPIDLY WITH CORRESPONDING RAPID INCREASE IN DEMAND FOR EQUIPMENT. MEXICAN GOVERNMENT

AGENCIES AND FIRMS ARE LIKELY TO PURCHASE FROM THE FOREIGN FIRMS THEY KNOW BEST. IT IS THEREFORE VITAL THAT POTENTIAL MEXICAN BUYERS BE ORIENTED IN ADVANCE TOWARD AMERICAN SELLERS. THIS CAMPAIGN SHOULD PLAY A SIGNIFICANT ROLE IN REALIZING THIS GOAL. A MAJOR MCTC EXHIBITION OF FOREST INDUSTRIES EQUIPMENT IS TENTATIVELY SCHEDULED FOR LATE IN FY-78.

CAMPAIGN NO. 10

PRIORITY STANDING NO. 10

TITLE: QUALITY CONTROL EQUIPMENT

JUSTIFICATION: THE ANNUAL MEXICAN MARKET FOR QUALITY CONTROL EQUIPMENT IS APPROXIMATELY \$47.4 MILLION. IMPORTS UNCLASSIFIED

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COMPRISE 94 PERCENT OF THIS MARKET. THE US MARKET SHARE IS APPROXIMATELY 70 PERCENT OR \$33.1 MILLION, WITH THE PRINCIPAL COMPETITION COMING FROM JAPAN, WEST GERMANY, AND THE UNITED KINGDOM. THIS CAMPAIGN SHOULD ASSIST US MANUFACTURERS IN INCREASING THEIR ALREADY LARGE SHARE OF THE MEXICAN MARKET. THE CAMPAIGN'S CENTRAL EVENT COULD BE AN MCTC EXHIBITION OF QUALITY CONTROL EQUIPMENT, ANY TIME DURING FY-79.

CAMPAIGN NO. 11

PRIORITY STANDING NO. 12

TITLE: ENERGY SYSTEMS

JUSTIFICATION: MEXICO'S SOLE GENERATOR AND DISTRIBUTOR OF ELECTRICAL POWER, THE COMISION FEDERAL DE ELECTRICIDAD (CFE) WILL BE INVESTING APPROXIMATELY ONE BILLION DOLLARS PER YEAR IN EXPANSION PROGRAMS DURING THE CURRENT ADMINISTRATION. ALL LARGE, HIGH TICKET ITEMS ARE CURRENTLY IMPORTED, ALTHOUGH THE CFE HAS PLANS TO BEGIN MANUFACTURE OF CERTAIN EQUIPMENT IN MEXICO IN THE NEAR FUTURE. IN 1975, THE CFE SPENT OVER ONE HALF BILLION DOLLARS IN GENERATION, TRANSMISSION, AND DISTRIBUTION EQUIPMENT, OF WHICH IMPORTS WERE ROUGHLY 60 PERCENT. THE U.S. MARKET SHARE OF IMPORTS WAS THIRTY-THREE PERCENT. SINCE THE U.S. FACES STIFF COMPETITION FROM EUROPE AND JAPAN IN THE SALE OF THIS EQUIPMENT, AN AGGRESSIVE SALES STANCE WILL HAVE TO BE TAKEN BY U.S. SUPPLIERS IF OUR MARKET SHARE IS TO IMPROVE.

CAMPAIGN NO. 12

PRIORITY STANDING NO. 13

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TITLE: INCREASE MEXICAN TRAVEL TO THE US

JUSTIFICATION: MEXICAN TRAVEL TO THE US ACCOUNTS FOR AN INCREASINGLY IMPORTANT PERCENTAGE OF TOTAL FOREIGN TOURISM TO THE US. IN 1975, ALMOT 2.2 MILLION MEXICAN TOURISTS TO THE US ACCOUNTED FOR 13.7 PERCENT OF THE TOTAL, AND SPENT \$1.4 BILLION, OR 24.5 PERCENT OF TOTAL US TOURISM REVENUES. MEXICAN PESO DEVALUATION IN 1976 RESULTED IN A SHARP CUTBACK OF FOREIGN BUSINESS AND PLEASURE TRAVEL BY MEXICANS, AND SPECIAL EFFORTS WILL BE REQUIRED BOTH TO INCREASE MEXICAN TRAVEL TO THE US AND TO MAINTAIN THE US SHARE OF MEXICAN FOREIGN TRAVEL EXPENDITURES. THROUGH ITS CONTACTS IN A WIDE RANGE OF MEXICAN COMPANIES THE COMMERCIAL SECTION IS WELL SITUATED TO PROMOTE THE USTS INCENTIVE TRAVEL PROGRAM.

3. OTHER SPECIAL POST EFFORTS

ACTIVITY NO. 1

PRIORITY STANDING NO. 11

TITLE: MAJOR PROJECTS

JUSTIFICATION: IN RECENT YEARS THE EMBASSY HAS EXPANDED ITS COVERAGE OF MAJOR PROJECTS. THIS INCREASED EMPHASIS WILL CONTINUE, IN ORDER TO ASSIST US SUPPLIERS OF GOODS AND SERCIES IN OBTAINING A SHARE OF MEXICAN EXPENDITURES

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FOR MAJOR PROJECTS IN AREAS SUCH AS OIL FIELD DEVELOPMENT, RAPID TRANSIT SYSTEMS, ELECTRIC POWER SYSTEMS, AND TOURISM DEVELOPMENT.

ACTIVITY NO. 2

PRIORITY STANDING NO. 14

TITLE: TRADE PROMOTION EVENT SUPPORT

JUSTIFICATION: AS IN OTHER YEARS, IN FY1979 THE MEXICO CITY TRADE CENTER (MCTC) WILL STAGE A NUMBER OF MAJOR EXHIBITIONS AND MULTI-FIRM BSP'S NOT COVERED BY CCP CAMPAIGNS. THE EMBASSY WILL WORK CLOSELY WITH MCTC TO ENSURE THE SUCCESS OF SUCH TRADE PROMOTION EVENTS, INCLUDING PLANNING OF THE EVENT, KEYMAN CALLS, BRIEFING OF PARTICIPANTS, MANNING OF TOP BOOTH, ETC. VEHICULAR AND MOTOR MAINTENANCE EQUIPMENT SHOULD BE CONSIDERED FOR A MAJOR MCTC EXHIBITION IN FY-79. IF MARKET DEVELOPMENT WARRANT THIS THEME COULD BE THE BASIS FOR A SUBSTITUTE CAMPAIGN.

ACTIVITY NO. 3

PRIORITY STANDING NO. 15

TITLE: PROMOTING INCREASED USE OF US WINES IN MEXICO

JUSTIFICATION: IN 1976 THE GOM ESTABLISHED FOR THE FIRST TIME AN ANNUAL IMPORT QUOTA OF 15,000 CASES FOR US WINES. AS OF THIS WRITING (APRIL 1977) THIS QUOTA HAS BARELY BEEN USED. GREATER PROMOTIONAL EFFORT WILL BE REQUIRED TO INTEREST US WINERIES IN THE MEXICAN MARKET, AND TO ACQUAINT MEXICAN WINE IMPORTERS AND DISTRIBUTORS WITH US WINES.

4. PERSONNEL RESOURCES

EMBASSY BELIEVES THAT PRESENT PERSONNEL RESOURCES ARE ADEQUATE FOR FULFILLMENT OF PROPOSED FY-1979 CCP, WHICH IS BASED ON ASSUMPTION THAT EXISTING COMMERCIAL SECTION PERSONNEL RESOURCES WILL NOT BE CUT FURTHER THROUGH END OF FY-1979. AS DEPARTMENT AND USDOC ARE AWARE,
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DURING THE PAST YEAR THE EMBASSY LOST THE COMMERCIAL ATTACHE POSITION, WHILE ONE FULL-TIME COMMERCIAL OFFICER HAS BEEN REDESIGNATED FOR A ROTATIONAL JUNIOR OFFICER. THE PROPOSED INPUTS FOR THE CCP FY-1979 ARE THEREFORE BASED ON FULL UTILIZATION OF THREE COMMERCIAL (COMMODITY) OFFICERS, ONE ROTATIONAL OFFICER, AS WELL AS PETROLEUM-MINERALS OFFICER; TRANSPORTATION-COMMUNICATIONS OFFICER; THE TRADE CENTER; OUR FSL COMMERCIAL SPECIALISTS; THE CONSULATES AND USIS/USTS IN THEIR SPECIALTY AREAS. OUR FSL SPECIALISTS WERE ASSIGNED THEIR OWN CAMPAIGNS FOR THE FIRST TIME IN CCP FY-1978 UNDER SUPERVISION OF THE APPROPRIATE COMMODITY OFFICERS. WE ANTICIPATE THAT THIS PRACTICE WILL ALSO BE FOLLOWED IN FY-1979. HOWEVER, THE EMBASSY WISHES TO NOTE THAT ANY FURTHER CUTBACKS IN COMMERCIAL OR USMC PERSONNEL, US OR LOCAL, WILL REQUIRE MODIFICATION OF ANY PROPOSED FY-1979 CCP.

5. FINANCIAL RESOURCES

EMBASSY BELIEVES THAT THE FOLLOWING FINANCIAL RESOURCES WILL BE REQUIRED FOR FULFILLMENT OF CAMPAIGNS PROPOSED FOR FY-1979: REPRESENTATION, \$10,976; TRAVEL, \$13,431; OTHER (INCLUDING CONTRACT SERVICES, PRINTING AND MAILING), \$8,487; TOTAL, \$32,894. THESE FIGURES, WHICH HAVE BEEN DISCUSSED AND CLEARED WITH EMBASSY BUDGET AND FISCAL OFFICER, ARE BASED ON TWENTY-FIVE PERCENT INCREASE (TO REFLECT INFLATION AND OTHER COST INCREASES) OVER FINANCIAL RESOURCES REQUESTED FOR FY-1978 CAMPAIGNS. 1978 DATA WERE PROVIDED DEPARTMENT IN MEXICO CITY A-47, MARCH 8, 1977 (IN WHICH CAMPAIGN RESOURCES ARE SEGREGATED IN SECTION B).

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Message Attributes

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